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COMMISSIONERS

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GARY PIERCE
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BOB BURNS
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AZ CORP COMMISSION
DOCKET CONTROL

2014 AUG 15 PM 3:14

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF
VALENCIA WATER COMPANY – TOWN DIVISION
FOR THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES FOR UTILITY
SERVICE DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE OF ARIZONA

Docket No. W-01212A-12-0309

ORIGINAL

IN THE MATTER OF THE APPLICATION OF
GLOBAL WATER – PALO VERDE UTILITIES
COMPANY FOR THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES FOR UTILITY
SERVICE DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. SW-20445A-12-0310

IN THE MATTER OF THE APPLICATION OF WATER
UTILITY OF NORTHERN SCOTTSDALE, INC. FOR A
RATE INCREASE

Docket Nos. W-03720A-12-0311

IN THE MATTER OF THE APPLICATION OF
WATER UTILITY OF GREATER TONOPAH FOR
THE ESTABLISHMENT OF JUST AND REASONABLE
RATES AND CHARGES FOR UTILITY SERVICE
DESIGNED TO REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS PROPERTY
THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-02450A-12-0312

IN THE MATTER OF THE APPLICATION OF
VALENCIA WATER COMPANY – GREATER
BUCKEYE DIVISION FOR THE ESTABLISHMENT OF
JUST AND REASONABLE RATES AND CHARGES FOR
UTILITY SERVICE DESIGNED TO REALIZE A
REASONABLE RATE OF RETURN ON THE FAIR
VALUE OF ITS PROPERTY THROUGHOUT THE
STATE OF ARIZONA

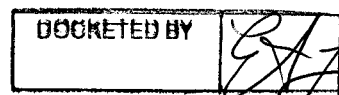
DOCKET NO. W-02451A-12-0313

**NOTICE OF FILING
CODE OF CONDUCT**

Arizona Corporation Commission

DOCKETED

AUG 15 2014



1 IN THE MATTER OF THE APPLICATION OF
2 GLOBAL WATER – SANTA CRUZ WATER COMPANY
3 FOR THE ESTABLISHMENT OF JUST AND
4 REASONABLE RATES AND CHARGES FOR UTILITY
5 SERVICE DESIGNED TO REALIZE A REASONABLE
6 RATE OF RETURN ON THE FAIR VALUE OF ITS
7 PROPERTY THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-20446A-12-0314

5 IN THE MATTER OF THE APPLICATION OF
6 WILLOW VALLEY WATER COMPANY FOR THE
7 ESTABLISHMENT OF JUST AND REASONABLE
8 RATES AND CHARGES FOR UTILITY SERVICE
9 DESIGNED TO REALIZE A REASONABLE RATE OF
10 RETURN ON THE FAIR VALUE OF ITS PROPERTY
11 THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-01732A-12-0315

**NOTICE OF FILING
CODE OF CONDUCT**

10 Global Water – Palo Verde Utilities Company, Global Water – Santa Cruz Water
11 Company, Valencia Water Company – Town Division, Valencia Water Company – Greater
12 Buckeye Division, Water Utility of Greater Tonopah, Willow Valley Water Co. and Water Utility
13 of Northern Scottsdale (collectively, the “Global Utilities”) file the attached Code of Conduct.

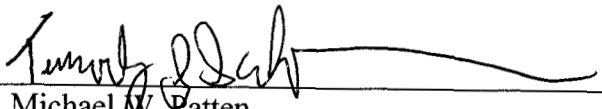
14 Decision No. 74364 (February 26, 2014) requires “[t]hat all parties shall implement and
15 comply with the terms of the Settlement Agreement, with the conditions discussed herein.” (page
16 66, lines 10-11). Section 8.7 of the Settlement Agreement provides that:

17 The Global Water and Wastewater Utilities will work with Staff to adopt a Code
18 of Conduct to apply to transactions that are between or involve the Applicants and
19 their unregulated affiliates and to assure confidential treatment of customer
20 specific information including water and wastewater usage information. This
21 Code of Conduct shall include, at a minimum, the recommendations of Staff
22 Witness Armstrong on page 34 of his Direct Testimony as well as measures
23 designed to ensure that the Global Utilities are independent and stand-alone
24 entities separate and apart from the Global Parent and its other unregulated
25 affiliates and that all transactions between these entities are on an arms-length
26 basis. The Applicants shall file the agreed upon Code of Conduct by May 2, 2014.

23 On May 2, 2014, Commission Staff filed a motion for extension of time, noting that Staff
24 and the Global Utilities were still working on the Code of Conduct. Staff and the Global Utilities
25 have continued to work on the Code of Conduct, and Staff and the Global Utilities are now in
26 agreement as to the Code of Conduct. The agreed Code of Conduct is attached.
27

15th
1 RESPECTFULLY SUBMITTED this 13th day of August, 2014.

2
3 ROSHKA DEWULF & PATTEN, PLC

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Attorneys for Global Utilities

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2 Original +13 copies of the foregoing
3 filed this 1st day of August 2014, with:

4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington
7 Phoenix, AZ 85007

8 Copies of the foregoing hand-delivered/mailed
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By



**GLOBAL WATER AND WASTEWATER UTILITIES
CODE OF AFFILIATE CONDUCT**

I. PURPOSE.

The purpose of this Code of Affiliate Conduct (the "Code") is to govern the operational and financial activities and relationships existing between the Global regulated water and wastewater utilities and all of their affiliates and parent companies, to assure the confidential handling of customer information, and to ensure separation of the traditional roles of the regulated Global Utilities and non-regulated operations of Global. This Code is intended to implement Section 8.7 of the Settlement Agreement (attached hereto as Exhibit "A") approved in Decision No. 74364. This Code is not intended to supersede Global's obligations to comply with Commission rules, regulations or Orders.

II. DEFINITIONS.

"Global" means collectively the Global Utilities, Global Water Resources, Inc. ("GWRI" or "Global Parent"), Global Water, LLC ("GW"), and all of their affiliates.¹

"Global Utility" means each utility owned by GWRI in Arizona and subject to the jurisdiction of the Arizona Corporation Commission.

"Affiliate" with respect to the public utility, shall mean any other entity directly or indirectly controlling or controlled by, or under direct or indirect common control with, the public utility. For purposes of this definition, the term "control" (including the correlative meanings of the term "controlled by" and "under common control with"), as used with respect to any entity, shall mean that power to direct the management policies of such entity, whether through ownership of voting securities, or by contract, or otherwise.

"Arm's Length Transaction" means the standard of conduct under which unaffiliated parties, each acting in its own best interest, would carry out a particular transaction.

"Commission" means the Arizona Corporation Commission ("ACC").

"Fully Allocated Cost" means the sum of direct costs plus an appropriate share of indirect costs.

"Infrastructure Coordination and Finance Agreement" means a voluntary contract between Global Parent, and a landowner. These contracts provide for Global Parent, to coordinate the planning, financing and construction of off-site water, wastewater and recycled water plant. The Global Utilities will own and operate this plant when construction is complete. Under the ICFAs, Global Parent is responsible for funding both the planning and construction of water, wastewater and recycled water plant.

¹ To the extent the names of any affiliates change or affiliates are added or deleted, Global shall update this Code of Conduct if necessary and the attached Global organizational chart (Exhibit "B").

“RUCO” means the Residential Utility Consumer Office.

“Staff” means the ACC Staff.

III. APPLICABILITY.

- A. This Code applies to each utility owned by GWRI in Arizona and subject to the jurisdiction of the ACC and its interactions with its Affiliates. This Code is binding on Global.
- B. All Global employees shall adhere to this Code.
- C. This Code was prepared pursuant to Decision No. 74364 and any changes require prior approval of the ACC.
- D. This Code is subject to review at any time by Staff and/or RUCO. Any changes to this Code requested by Staff, RUCO, or Global which the three parties cannot agree with shall be brought to the Commission for resolution.

IV. AFFILIATE TRANSACTIONS.

A. Separation of Global Regulated and Non-Regulated Activities and Operations.

- 1. Global Utilities shall be separate corporate entities from the other Global entities.
- 2. Global will not enter into any new agreements, including ICFAs, or adopt any operational changes that result in the Global Parent directly assuming the responsibilities of or typically performed by a public service corporation. Such public service corporation responsibilities are to remain the direct responsibility of the Global Utilities only.
- 3. Each Global Utility shall keep separate books and records in accordance with the Uniform System of Accounts promulgated by the National Association of Regulatory Utility Commissioners (“NARUC”).
- 4. Global Utilities shall keep accounting records that set forth appropriate cost allocations between Global Utilities and GWRI, GW and its affiliates which, upon request, shall be made available to the Commission in accordance with A.A.C. R14-2-804(A).

Effective Date:
Decision No:
Docket No: W-01212A-12-0309 et al.
ACC Approval: _____

Global Water Attn: Regulatory Affairs
21410 N. 19th Ave., Ste. 201
Phoenix, AZ 85027
623.580.9600

B. Infrastructure Finance and Coordination Agreements (“ICFAs”).**1. Prohibition on new ICFAs or ICFA type agreements.**

Global will not enter into any new ICFAs or any other ICFA type agreements. Global may enter into amendments to existing ICFAs from time to time, as long as the amendments do not increase the dollar amount of the ICFA funds to be paid to Global Parent or any of its affiliates. A list of ICFAs or ICFA type agreements is attached to the Settlement Agreement approved in Decision No. 74364.

2. ICFA Fees Received After December 31, 2013, Under Existing ICFAs.

Global shall follow the procedures set out in Section 6.4 of the Settlement Agreement related to ICFA Fees received after December 31, 2013, under existing ICFAs approved in Decision No. 74364.

3. ICFA Fees Received In Excess of the Applicable HUF.

In accordance with Section 6.4.3 of the Settlement Agreement approved in Decision No. 74364, the Global Parent portion (ICFA Fee minus HUFs) is to be used only in accordance with the terms of the applicable ICFA.

4. HUF and Other Utility Funds Received.

Each Global Utility, water and wastewater, will maintain a separate, segregated bank account for all funds received under the HUF tariff and file annual reports as outlined in the Global Utility's HUF tariffs. The HUF funds may only be used by the Global Utilities for the purposes specified in the HUF tariff.

5. Use of Line Extension and Main Extension Agreements.

The Global Utilities will continue to use main extension agreements in accordance with Commission rules. Any associated funds or infrastructure (or land associated with the infrastructure which is conveyed to Global) used to provide water or wastewater will be segregated to or owned by the Global Utilities.

6. Staff and RUCO Right to Monitor Compliance.

Staff and RUCO shall have the right to monitor Global's compliance with the Settlement Agreement approved in Decision No. 74364, and review all ICFA related transactions in future rate applications that Global files, and take appropriate steps, if necessary, to ensure the continued resolution of the issues regarding ICFAs as set forth in the Settlement Agreement.

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623.580.9600

C. Access to Books and Records.

Global shall make all Global books and records available to the ACC Staff and RUCO at any time upon request, upon a reasonable notice, in Maricopa County, Arizona. The Global Utilities shall continue to maintain their business headquarters and fully operational field, billing and complaint offices in Arizona.

D. Cost Allocation Manual.

1. Each Global Utility that receives products and/or services from an affiliate or that provides products and/or services to an affiliate, shall maintain information documenting the methodologies to allocate different costs between the Global Utilities and their affiliates and regulated and non-regulated operations. However, direct assignment of costs should be the first consideration with only the costs which cannot be reasonably directly assigned being subject to indirect cost allocation considerations.
2. Global shall provide upon request:
 - a. An organization chart of the holding company, depicting all affiliates, as well as a description of activities in which the affiliates are involved.
 - b. A listing of job position descriptions with duties and responsibilities and whether the position works for both the regulated Global Utilities and their parent and affiliates.
 - c. A description of all assets, services and products provided to and from the Global Utilities and their affiliates.
 - d. All documentation including written agreements, accounting bulletins, internal procedures, work order manuals, or related documents which govern how costs are allocated between affiliates.
 - e. Any regulatory commission rules, regulations, or orders upon which the Global Utilities rely to support cost allocations and pricing between the Global Utilities and their affiliates.
 - f. Any generally accepted accounting principles, financial accounting statements or NARUC accounting requirements that the Global Utilities rely upon for their cost allocations and pricing between the Global Utilities and their affiliates.
3. Staff and RUCO may request a copy of Global's CAM at any time.

E. Valuing the Transfers of Assets, Goods and Services.

1. All dealings between Global Utilities and former affiliates shall be Arm's Length Transactions.
2. GWRI, GW, and all Global affiliates shall charge the lower of fully allocated cost or market price whenever goods, products or services are sold or provided to a Global Utility.
3. Global Utilities shall charge the higher of fully allocated cost or market price whenever goods, products or services are sold or provided by a Global Utility to GWRI, GW or any affiliate.
4. GWRI, GW and all unregulated Global affiliates shall charge the lower of book or market price whenever assets are sold to a Global Utility.
5. Global Utilities shall charge the higher of book or market price whenever assets are sold by a Global Utility to GWRI, GW or any unregulated affiliate.
6. Global shall, on a continuing basis, retain the market price information used to determine the market price for goods or services purchased until the completion of any subsequent Global Utilities rate case involving GWRI, GW and all affected affiliates.
7. Any services provided by the Global Utilities that are subject to a filed tariff shall be provided at the rates and under the terms and conditions set forth in the tariff, unless an exception is permitted by the ACC.
8. For all purchases of goods or services from an affiliate, or former affiliate, with an expected cumulative annualized value exceeding \$100,000, Global Utility(s) will solicit competitive bids from at least two non-affiliated entities. In awarding a contract to a bidder, Global Utility(s) will document the reasons for selecting the bidder, including, but not limited to the bid price, bidder's experience, and the expected time to provide the services. Global Utilities will retain copies of all bid documents, including the requests for proposal, responses, selection documentation, and the bid award.

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Effective Date:
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Docket No: W-01212A-12-0309 et al.
ACC Approval: _____

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623.580.9600

F. Condition Relative to Secured and Unsecured Debt.

1. The Global Utilities shall not pledge, mortgage, or use as collateral any fixed assets of the Global Utilities for the benefit of GWRI, GW or an unregulated affiliate except as authorized by the ACC.
2. The Global Utilities will not lend to or make guarantees for GWRI, GW, or an unregulated affiliate except as authorized by the ACC. Neither shall GWRI, GW, or an unregulated affiliate have any cross default provisions that affect the Global Utilities in any manner.
3. If Global or Global Utilities receive authorization from the ACC to issue secured debt backed by utility assets, such proceeds must be used for the stated utility purposes only; and when utility assets with a net book value exceeding \$100,000 are sold, and such assets are supported by, related to, or secured by utility debt issuances, the debt must be retired or follow the asset.
4. If Global or Global Utilities receive authorization from the ACC to issue unsecured debt that is not backed secured by utility assets, and the proceeds from such unsecured debt are used in whole, or in part, for nonutility purposes, and if all or any part of the nonutility operations with a net investment value exceeding \$100,000 are sold, then a proportionate share of the debt must be retired or follow the nonutility operations.
5. The Global Utilities may maintain banking, committed credit facilities and cash management arrangements which are combined with the similar cash management arrangements of GWRI, GW, and unregulated affiliates in order to achieve operational and cash management economic efficiencies. However in no instance is preferential treatment ever to be given to the financial, or cash flow, interests or demands of the non-Global Utility operations over the similar demand and interests of the Global Utilities.

GWRI may pay dividends to its shareholders as long as the level of such dividend payments is sustainable and does not compromise the ability of the Global Utilities to meet ongoing operating needs, nor compromise the continuous goal of improving the long-term financial health of the Global Utilities.

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Effective Date:
Decision No:
Docket No: W-01212A-12-0309 et al.
ACC Approval: _____

Global Water Attn: Regulatory Affairs
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V. ACCESS TO CUSTOMER INFORMATION.**A. Definition of Confidential Customer Information.**

“Confidential Customer Information” includes name, address, personal identification numbers (e.g., social security , driver’s license, etc.) billing information, payment history, account history, account number, meter reads, time of use information, survey results, and any other information specific to a customer of one or more Global Utilities. Confidential Customer Information does not include publicly available information or information that can be derived from publicly available information. Nor does Confidential Customer Information include consolidated or aggregate usage information as long as such aggregated information cannot be directly associated with or attributable to specific customers.

B. Prohibition Against Release of Confidential Customer Information.

The Global Utilities shall not release individually identifiable confidential customer information except as allowed for under this Code of Conduct and Commission rules, or upon affirmative consent of the customer in writing or electronically. Nothing herein shall prohibit Global Utilities from sharing Confidential Customer Information for a specific customer with that customer’s authorized representative.

C. Notice to Customers Required for Use of Confidential Customer Information by Affiliates, GWRI, GW or Third Parties.

If Global Utilities and their affiliates seek to use confidential customer information in any manner other than as necessary for the provision of utility service then Global Utilities shall send notice to customers in writing or electronically which includes the definition of confidential customer information, and explains that the customer’s consent is required before the Global Utilities and their affiliates or third parties may use, disclose or permit access to confidential customer information for a purpose which is not necessary for the provision of utility service. The notice shall list the entities that will receive the confidential customer information and the intended purpose or use of the information by the Affiliate, GMRI, GW or a third party. The customer involved must be informed how to approve or reject this request and Global Utilities must receive positive affirmation of the customer’s approval before such information is used or shared.

The notice will be provided to Commission Staff for review and approval before it is sent to customers.

D. Exception for Affiliate Access to Confidential Customer Information for Activities Necessary In the Provision of Utility Service.

GWRI, GW, and other affiliates may access Confidential Customer Information for the following purposes in conjunction with the provision of utility service: (1) addressing customer complaints or inquiries; (2) responding to complaints or inquiries from the a governmental entity; (3) accounting or auditing purposes; (4) billing, including oversight of any third-party billing or customer service provider; or (5) leak detection, usage analysis, or other internal operational purposes necessary in the provision of utility service. The Global Utility will be required to execute a protective agreement with GWRI, GW and any other affiliates in receipt of confidential customer information pursuant to this provision in accordance with paragraph F below.

E. Third Party Access to Customer Information for Activities Necessary In the Provision of Utility Service.

GWRI or Global Utility may contract with a third party to provide call center, credit reporting companies, collections, customer service, billing and related services necessary for the provision of utility service. In such a case, Global Utility must execute a protective agreement in accordance with paragraph F below with the third party which requires the third party to keep all Confidential Customer Information received confidential.

F. Confidentiality Agreement Required.

The affected Global Utilities shall be required to execute a protective agreement with GWRI, GW, its affiliates or agents or independent contractors or third parties for any release of confidential customer information for the provision of utility service or where the customer has given his or her affirmative consent in writing or through electronic means.

G. Sharing of Customer On-Line Activity Obtained Through the Use of Software Cookies is Prohibited.

The sharing of data obtained through the use of software cookies by Global Utilities, GWRI, GM, or any affiliates to monitor ratepayer on-line activities is strictly prohibited.

H. Legal Access to Confidential Customer Information.

Global may provide access to Confidential Customer Information to comply with a legal requirement, including responding to a subpoena, court order, civil investigatory demand, regulatory agency order, or ACC data request.

I. Verification of Affirmative Customer Consent.

Global Utility(s) shall retain sufficient information to demonstrate compliance with these provisions in the event a dispute arises concerning the release of individually identifiable confidential customer information.

J. Ongoing Applicability of This Section.

If the Commission adopts new rules governing the sharing of Confidential Customer Information by water utilities, those rules shall supersede this section in its entirety when the new rules become effective. Global shall update its Code of Conduct at that time to reflect the new rules adopted.

VI. AFFIDAVIT OF COMPLIANCE.

Global's Chief Executive Officer, President, or Chief Financial Officer shall be required to file with the Commission an affidavit of compliance annually which states that the provisions of this Code of Conduct have been met.

REVISIONS

Date	Revision Number	Revisions	OPI
08/12/2014	ORIGINAL (000)		

Effective Date:
Decision No:
Docket No: W-01212A-12-0309 et al.
ACC Approval: _____

Global Water Attn: Regulatory Affairs
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623.580.9600

Exhibit-A

ATTACHMENT A
PROPOSED SETTLEMENT AGREEMENT OF RATE
ADJUSTMENT APPLICATIONS OF

Valencia Water Company, Inc. – Town Division
Docket No. W-01212A-12-0309

Global Water – Palo Verde Utilities Company
Docket No. SW-20445A-12-0310

Water Utility of Northern Scottsdale, Inc.
Docket No. 03720A-12-0311

Water Utility of Greater Tonopah, Inc.
Docket No. 02450A-12-0312

Valencia Water Company, Inc. – Greater Buckeye Division
Docket No. 02451A-12-0313

Global Water – Santa Cruz Water Company
Docket No. W-20446A-12-0314

Willow Valley Water Co., Inc.
Docket No. 01732A-12-0315

AUGUST 12, 2013

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**PROPOSED SETTLEMENT AGREEMENT OF
GLOBAL WATER UTILITIES RATE CASE
DOCKET NOS. W-01212A-12-309 et al.**

The purpose of this Settlement Agreement ("Agreement") is to settle disputed issues related to Docket Nos. W-01212A-12-0309, SW-20445A-12-0310, W-03720A-12-0311, W-02450A-12-0312, W-02451A-12-0313, W-20446A-12-0314 and W-01732A-12-0315 (collectively, the "Global Rate Dockets"). This Agreement is entered into by the following entities:

STAFF and RUCO

Arizona Corporation Commission Utilities Division ("Staff")
Residential Utility Consumer Office ("RUCO")

Global Applicants

Valencia Water Company, Inc. – Town Division ("Valencia – Town")
Global Water– Palo Verde Utilities Company ("Palo Verde")
Water Utility of Northern Scottsdale, Inc. ("Northern Scottsdale")
Water Utility of Greater Tonopah, Inc. ("Tonopah")
Valencia Water Company, Inc. – Greater Buckeye Division
("Valencia – Buckeye")
Global Water – Santa Cruz Water Company ("Santa Cruz")
Willow Valley Water Co., Inc. ("Willow")

Global Intervenor

Global Water – Picacho Cove Water Company ("Picacho Water")
Global Water – Picacho Cove Utilities Company ("Picacho Utilities")
Hassayampa Utilities Company, Inc. ("Hassayampa")
Global Water Resources, Inc. ("Global Parent")

Other Intervenor

Province Community Homeowners Association
Rancho El Dorado Phase III Homeowners Association
Cobblestone Farms Homeowners Association

And such other intervenors or parties that may sign on pursuant to Section 11.7 of the proposed Settlement Agreement.

These entities will be referred to collectively as "Signatories;" a single entity will be referred to individually as a "Signatory." Santa Cruz, Palo Verde, Valencia – Town, Willow, Valencia – Buckeye, Tonopah, and Northern Scottsdale will be collectively referred to as the "Applicants" or the "Global Water and Wastewater Utilities." Picacho Water, Picacho Utilities, Hassayampa, and Global Parent will be collectively referred to as the "Global Intervenors," and the Global Intervenors and the Applicants will be collectively referred to as "Global."

I. RECITALS.

- 1.1 The Global Water and Wastewater Utilities each filed a separate rate application on July 9, 2012. Staff filed a letter of sufficiency on October 26, 2012, and by Procedural Order dated November 20, 2012, the applications were deemed sufficient as of November 7, 2012. The November 20, 2012 Procedural Order also established a hearing schedule and consolidated all seven of the Global Rate Dockets. The hearing was subsequently rescheduled by a Procedural Order dated April 30, 2013.
- 1.2 By Procedural Orders, the following parties were granted intervention in the Global Rate Dockets: RUCO, New World, Maricopa, the Maricopa HOAs, SNR, Willow Club, the Global Intervenors, Steven P. Tardiff, Dana J. Jennings, and Andy and Marilyn Mausser.
- 1.3 The Global Water and Wastewater Utilities filed a notice of settlement discussions on July 11, 2013, and a revised notice of settlement discussions on July 15, 2013. Settlement discussions began on July 18, 2013, and continued on July 19, 2013. The settlement discussions were open, transparent, and inclusive of all Parties to this Docket who desired to participate. All Parties to this Docket were notified of the settlement discussion process, were encouraged to participate in the negotiations, and were provided with an equal opportunity to participate. Participants in the settlement discussions included Global, Staff, RUCO, Maricopa, the Maricopa HOAs, New World, SNR, and the Willow Club.
- 1.4 The terms of this Agreement are just, reasonable, fair, and in the public interest in that they, among other things, establish just and reasonable rates for the Global Water and Wastewater Utilities; promote the convenience, comfort and safety, and the preservation of health, of the employees and patrons of the Global Water Utilities; avoid unnecessary litigation expense and delay, and resolve all issues arising from the Global Rate Dockets except the issue of a Distribution System Improvement Charge ("DISC") type mechanism for Willow. Global is working to provide the necessary information to Staff as soon as possible for a System Improvement Benefit ("SIB") mechanism so Staff can

complete its review prior to the commencement of the hearing in this matter. Global waives the right to request any acquisition premium for any of its existing systems involved in this docket.

1.5 The Signatories believe that this Agreement balances the interests of both the Global Water and Wastewater Utilities and their customers. These benefits include:

- A phase-in of rates with no rate increase in year one of the phase-in for any of the Global Water and Wastewater Utilities;
- A rate phase-in for the Santa Cruz and Palo Verde Companies over a period of eight years;
- A rate phase-in for Valencia Town, Valencia Buckeye, Willow, and Tonopah over a period of three years;
- A phase-in of the rate increases attributable to recovery of expenses in years two and three of the phase-in;
- There will be no change in revenue requirement for Northern Scottsdale as a result of this case;
- The Global Water and Wastewater Utilities agree to a rate stay-out until May 31, 2016; and if the City of Maricopa signs onto the Agreement, the stay-out will be extended to May 31, 2017 for Santa Cruz and Palo Verde;
- Continuing bill assistance for low income customers in existing Global Utilities with such programs, and expansion of the low income bill assistance program into the other Global Utilities;
- The rate design will continue to allow customers an opportunity to reduce their bill by providing a rebate when customers use less than the Conservation Rebate Threshold ("CRT"); and
- Resolution of issues regarding Infrastructure Coordination and Financing Agreements ("ICFAs").

1.6 The Signatories agree to ask the Commission: (1) to find that the terms and conditions of this Agreement are just and reasonable and in the public interest, along with any and all other necessary findings, and (2) to approve the Agreement such that it and the rates contained herein may become effective on January 1, 2014.

TERMS AND CONDITIONS

II. REVENUE REQUIREMENT AND RATE INCREASE PROVISIONS.

2.1 Rate Stay Out Agreement.

2.1.1 None of the Applicants will file a rate application before May 31, 2016. The test year for the next rate application filed by any of the Applicants shall not end before December 31, 2015. However, if the City of Maricopa joins this Agreement as a Signatory, then Santa Cruz and Palo Verde will not file a rate application before May 31, 2017, and the test year for the next rate case for Santa Cruz and Palo Verde may not end before December 31, 2016.

2.2 Rate Increase.

2.2.1 The revenue requirements and rate increases for all years of the phase-in for each of the Global Water and Wastewater Utilities are shown on Attachment A.

2.3 Fair Value Rate Base.

2.3.1 The jurisdictional fair value rate base used to establish the rates agreed to herein for each of the Global Water and Wastewater Utilities is shown on Attachment A. The Global Water and Wastewater Utilities agree to the use of original cost rate base as the fair value rate base for each of the Global Water and Wastewater Utilities for purposes of setting rates in this case.

2.3.2 The rate bases set forth on Attachment A exclude Post Test Year Plant as recommended by Staff, except for the following projects: (1) Palo Verde Lagoon Clean Closure and Conversion Project; (2) Valencia – Town Bales Fill Line; and (3) Valencia - Town Buena Vista Fill Line.

2.4 The rates agreed to herein are based on a test year ending December 31, 2011, with adjustments for known and measurable changes.

2.5 The expense levels agreed to herein are based upon the expense levels recommended by Staff, with the exception of the modified depreciation expense discussed in Section 5.1.

2.6 There will be no change in the revenue requirement for Northern Scottsdale as a result of this case.

III. BILL IMPACT AND RATE DESIGN.

- 3.1 Upon the effective date of the new rates, the monthly bill for a residential customer, with median usage, for each year of the phase-in is shown on Attachment A.
- 3.2 For the water company Applicants, the rate design includes six tiers and a CRT.¹ This follows the rate design approved in Decision No. 71878. The new CRTs will not take effect until January 1, 2015.
- 3.3 For Palo Verde and Santa Cruz, the recycled and nonpotable water rate will be \$1.6380 per 1,000 gallons, to be phased-in over eight years as shown on Attachment A. For the other Global Applicants with no existing recycled or nonpotable customers, the rate shall be \$1.6380 per thousand gallons with no phase-in.
- 3.4 The rate increase for Santa Cruz and Palo Verde will be phased in over eight years in accordance with Section 6.3.2.3. The rates of the remaining Applicants, except Northern Scottsdale, will be phased-in over three years. For all Applicants, there will be no rate increase in the first year. The Applicants waive their right to recover the revenues forgone or lost and carrying costs under the phase-ins.
- 3.5 Global withdraws its consolidation proposal for the three West Valley Systems.
- 3.6 Northern Scottsdale revenue requirements are unchanged but the rates shall be redesigned and be implemented with no phase-in.

IV. COST OF CAPITAL.

- 4.1 Staff's proposed consolidated capital structure comprised of 57.80% long term debt, 42.20% common equity will be adopted.
- 4.2 A return on common equity of 9.5% will be adopted.
- 4.3 An embedded cost of debt of 6.1 % will be adopted.
- 4.4 A fair value rate of return of 7.5% will be adopted.

¹ The Conservation Rebate is a component of Global's water utility rate design that promotes water conservation by customers. The Conservation Rebate applies to all customers who use less than the Conservation Rebate Threshold ("CRT") amount. The CRT amount for each utility is set forth in Settlement Schedule H-3 for each utility. Each Global water utility also has a Conservation Rebate percentage specified in the utility's Settlement Schedule H-3. For customers that qualify for the Conservation Rebate by using less than the specified CRT amount, the conservation rebate percentage is applied to the otherwise applicable volumetric portion of their bill.

- 4.5 The provisions set forth herein regarding the quantification of cost of capital, fair value rate base, fair value rate of return, and the revenue requirement are made for purposes of settlement only and should not be construed as admissions against interest or waivers of litigation positions related to other or future cases.

V. DEPRECIATION/AMORTIZATION.

- 5.1 The depreciation and amortization rates proposed by Staff and contained in the Direct Testimony of Staff witness Jian W. Liu will be adopted until further order of the Commission, except that a 10 year life will be used for National Association of Regulatory Utility Commissioners accounts 348 Other Tangible Plant and 398 Other Tangible Plant. The approved depreciation rates are set forth in Attachment A. The reclassifications of assets proposed by Staff (discussed at page 15 in the Direct Testimony of Staff witness Gerald Becker) are adopted.

VI. TREATMENT OF INFRASTRUCTURE COORDINATION AND FINANCE AGREEMENTS.

6.1 General.

- 6.1.1 The provisions of this Agreement regarding ICFAs are divided into three parts: (1) future ICFAs; (2) treatment of past funds received under existing ICFAs; and (3) treatment of future funds received under existing ICFAs.
- 6.1.2 Staff and RUCO reserve the right to monitor Global's compliance with this Settlement Agreement and review all ICFA related transactions in future rate applications that Global files, and take appropriate steps, if necessary, to ensure the continued resolution of the issues regarding ICFAs as set forth in this Agreement.
- 6.1.3 All future capital requirements will be met with debt, equity, hook-up fees, or through main extension agreements.

6.2 Future ICFAs.

- 6.2.1 Global agrees that Global Parent (and any and all affiliates of Global Parent) will not enter into any new ICFAs or any other ICFA type agreements. This provision does not prohibit Global Parent from entering into amendments to existing ICFAs from time to time, as long as the amendments do not increase the dollar amount of the ICFA funds to be paid to Global Parent or any of its affiliates. Attachment B is a list of ICFAs or ICFA type agreements entered into by Global as of the date of this Agreement.

6.2.2 The Global Water and Wastewater Utilities, Hassayampa, Picacho Water, and Picacho Utilities will establish hook-up fees as set forth in Section VII.

6.2.3 The Global Water and Wastewater Utilities, Hassayampa, Picacho Water, and Picacho Utilities will continue to use main extension agreements in accordance with Commission rules. Any associated funds or infrastructure (or land associated with the infrastructure which is conveyed to Global) used to provide water or wastewater service will be segregated to or owned by the Global Water and Wastewater Utilities, Hassayampa, Picacho Water or Picacho Utilities.

6.3 Past Funds Received Under Existing ICFAs.

6.3.1 The Parties agree as follows with respect to the treatment of past ICFA funds received under existing ICFAs:

6.3.2 The total amounts imputed as Contributions In Aid of Construction ("CIAC") against the active rate base of Santa Cruz and Palo Verde in accordance with Exhibit B to Decision No. 71878 will be reversed and restored to rate base upon the effective date of the Commission's order in this docket.

6.3.2.1 The imputed amount to be reversed for Palo Verde is \$10,991,128 on a gross basis or \$10,323,747 net of amortization.

6.3.2.2 The imputed amount to be reversed for Santa Cruz is \$6,600,076 on a gross basis or \$6,105,227 net of amortization.

6.3.2.3 The revenue requirement impact of this restoration will be phased in over time (Years 2-8) limiting the impact to customers.

6.3.3 The \$32,391,318 attributed to the Southwest Plant Held for Future Use ("PHFFU") of Santa Cruz and Palo Verde (referred to as excess capacity in Exhibit B of Decision No. 71878) will no longer be reflected as CIAC upon the effective date of the Commission's order in this docket. (The gross and net CIAC amounts are equal because there has been no amortization associated with this level of CIAC.)

6.3.3.1 The reversal of the \$32,391,318 from CIAC Reserve for the Southwest Plant has no impact on rates in this case because this plant is not presently used and useful.

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- 6.3.3.2 The Southwest Plant will be treated as PHFFU until it is placed into service, and the Southwest Plant will not be placed into rate base until it is found used and useful by the Commission in a future rate case.
- 6.3.3.3 In the event that Santa Cruz or Palo Verde seeks, during the phase-in period described in Sections 6.3.2.3 and 1.5, to include the Southwest Plant in rates, they will be limited to seeking inclusion of no more than 12.5% of the \$32,391,318 per year, with such calculation beginning January 1, 2014. An additional 12.5% will be phased-in each January 1st thereafter until the full 100% of the aforesaid value of such plant has been determined by the Commission to be suitable for inclusion in rate base in one or more future rate proceedings. Notwithstanding, Santa Cruz and Palo Verde may not seek to include such plant prior to May 31, 2016, the end of the agreed upon stay out period. The amount of Southwest Plant to be included in rate base for rate-making purposes in future rate cases shall be the lesser of the above percentages or the amount of plant determined by the Commission to be used and useful.
- 6.3.4 The total amounts imputed as CIAC against the active rate base of Tonopah in accordance with Exhibit B to Decision No. 71878 will be reversed and restored to rate base upon the effective date of the Commission's order in this docket.
- 6.3.4.1 The imputed amount to be reversed for Tonopah is \$7,085,645 on a gross basis or \$6,784,409 net of amortization.
- 6.3.4.2 There will be no revenue impact of this restoration in this case because Tonopah's rates will be set on an operating margin basis in this case.
- 6.3.4.3 For purposes of this case, Tonopah's rates will be set based upon a 10% operating margin. In subsequent rate cases filed within the 8 year phase-in referred to in Section 1.5 and 6.3.2.3 above, the rates for Tonopah will be reviewed from both a rate of return and 10 percent operating margin perspective. The rates will be set based upon whichever method results in the lowest rates for Tonopah customers.
- 6.3.4.4 In subsequent rate cases filed within the 8 year phase-in referred to above, Tonopah may include no more than

12.5% of the \$6,784,409 per year, with such calculation beginning January 1, 2014. An additional 12.5% will be phased-in each January 1st thereafter until the full 100% has been recognized.

6.3.5 The ICFA funds allocated to Hassayampa by Exhibit B to Decision No. 71878 and accounted for as "CIAC Reserve" will be reversed upon the effective date of the Commission's order in this docket.

6.3.5.1 The imputed amount to be reversed for Hassayampa is \$2,140,455 (the gross and net CIAC amounts are equal because there has been no amortization.)

6.3.5.2 Hassayampa has no customers and no rate base; and its rates will remain unchanged at this time.

6.3.6 The \$8,897,600 in ICFA funds received since December 31, 2008, the test year of the last Global Water and Wastewater Utilities rate case through December 31, 2012, will not be imputed or treated as CIAC.

6.4 Future ICFA Fees Received Under Existing ICFAs.

6.4.1 ICFA fees received after December 31, 2013, will be handled as follows: a portion of funds received by Global Parent will be paid to the associated utility as a hook-up fee ("HUF") to be established in accordance with this Agreement, and the remaining portion of the funds will be available to Global Parent for use pursuant to the provisions of the applicable ICFA.

6.4.2 For amounts due after the effective date of the Commission's order in this docket, Global Parent will agree to accept separate checks for the ICFA fees owed, as follows: (1) a check payable to the applicable water utility in the amount of the water HUF; (2) a check payable to the applicable wastewater utility in the amount of the wastewater HUF; and (3) a check payable to Global Parent for the remainder of the ICFA fee.

6.4.2.1 However, if only one check is received (regardless of the payee) for an ICFA payment, Global Parent will immediately pay the required HUFs to the applicable water and wastewater utilities out of the fees received in the check, with the remaining funds going to Global Parent in accordance with Section 6.4.4. Global Parent is prohibited from using HUF monies for any purpose. The Global Utilities and Global Intervenors shall use the

HUF monies solely for the purposes set forth in the Commission approved HUF tariffs.

- 6.4.3 The Global Parent portion (ICFA Fee minus HUFs) is to be used only in accordance with the terms of the applicable ICFA.
- 6.4.4 Because all the ICFA fees due for each Equivalent Dwelling Unit ("EDU") are not due at the same time, it is necessary to allocate any payment received between the HUF and the portion of the payment which will go to Global Parent. The Signatories agree that each payment received under the ICFA shall be allocated on the following basis: 70% of the payment shall go toward payment of the HUF and the remaining payment shall be allocated to Global Parent. However, regardless of the timing of payments that may be required for any particular ICFA, Global Parent shall be responsible for ensuring that the entire HUF is paid no later than the time the ICFA payment is received for: (1) final plat, (2) the start work date, or (3) the date required by the HUF tariffs, whichever is earliest. When constructing facilities required under a HUF or ICFA, Global Utilities shall first use the HUF moneys received, and only after those funds are spent, shall it use debt or equity financing.
- 6.4.5 All ICFA fees that are not otherwise accounted for under this Agreement, will be treated in accordance with Section 6.4.1. This shall not apply to past due amounts due prior to December 31, 2012, that otherwise would have been paid under the existing ICFA. These shall be treated in accordance with Section 6.3.6.

VII. HOOK-UP FEES.

- 7.1 The Global Water and Wastewater Utilities, Hassayampa, Picacho Water, and Picacho Utilities will establish hook-up fees in the following amounts:
- 7.1.1 Santa Cruz: \$1,250
 - 7.1.2 Palo Verde: \$1,250
 - 7.1.3 Picacho Water: \$1,250
 - 7.1.4 Picacho Utilities: \$1,250
 - 7.1.5 Valencia – Town: \$1,750
 - 7.1.6 Valencia – Greater Buckeye: \$1,750

- 7.1.7 Tonopah: \$1,750
- 7.1.8 Willow: \$1,750
- 7.1.9 Northern Scottsdale: \$1,750
- 7.1.10 Hassayampa: \$1,750
- 7.2 The HUF will be in the form of Staff's standard HUF appended hereto as Attachment C. In the case of the Applicants, the HUF tariffs will take effect upon the effective date of the Commission's order in these consolidated dockets. In the case of Picacho Water, Picacho Utilities, and Hassayampa, those utilities will file, within 30 days of a Commission Decision in this case, separate applications for a HUF tariff for the amounts described in Section 7.1.
- 7.3 As required in Staff's standard form HUF tariff, each Global water and wastewater utility will maintain a separate, segregated bank account for all funds received under the HUF tariff and file annual reports as outlined in the tariffs. The HUF funds may only be used by the Global water and wastewater utilities for the purposes specified in the HUF tariff. Global's Chief Executive Officer or Chief Financial Officer shall be required to file an affidavit annually which states that the conditions of this paragraph have been met.

VIII. TARIFFS AND CODE OF CONDUCT.

- 8.1 The Global Water Utilities' existing low income tariff will remain in effect, and will apply to Northern Scottsdale upon the effective date of the Commission's order in these consolidated dockets.
- 8.2 The Central Arizona Groundwater Replenishment District ("CAGR") adjustor mechanism discussed in the Direct Testimony of Global Utilities' witness Ron Fleming (pages 13-18) and Staff witness Becker (page 27) will be approved subject to the same requirements of the adjustor mechanism approved for Johnson Utilities, L.L.C. in Decision No. 71854 pages 38-44 and appended hereto as Attachment D.
- 8.3 The Global Water and Wastewater Utilities agree to withdraw their request to eliminate their BMP tariffs. Northern Scottsdale agrees to file a BMP tariff in accordance with the Direct Testimony of Staff witness Liu.
- 8.4 The Signatories agree to the Global Water and Wastewater Utilities' Terms and Conditions tariff (Attachment 4 to the Direct Testimony of Mr. Fleming), as modified by Staff, in Attachment E.

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- 8.5 The Global Water and Wastewater Utilities shall file revised tariffs reflecting all of the changes discussed in this agreement within 30 days from the date of the Commission's decision in this matter. A list of revised tariffs that the Applicants will file for each of the Global Utilities is attached as Attachment F.
- 8.6 The Global Water and Wastewater Utilities agree to withdraw their request for an Individual Case Basis ("ICB") tariff.
- 8.7 The Global Water and Wastewater Utilities will work with Staff to adopt a Code of Conduct to apply to transactions that are between or involve the Applicants and their unregulated affiliates and to assure confidential treatment of customer specific information including water and wastewater usage information. This Code of Conduct shall include, at a minimum, the recommendations of Staff Witness Armstrong on page 34 of his Direct Testimony as well as measures designed to ensure that the Global Utilities are independent and stand-alone entities separate and apart from the Global Parent and its other unregulated affiliates and that all transactions between these entities are on an arms-length basis. The Applicants shall file the agreed upon Code of Conduct by May 2, 2014.

IX. WATER LOSS.

- 9.1 The Global Water Utilities agree to file the water loss reports recommended in the Direct Testimony of Staff witness Mr. Liu.

X. COMMISSION EVALUATION OF PROPOSED SETTLEMENT.

- 10.1 All currently filed testimony and exhibits will be offered into the Commission's record as evidence.
- 10.2 The Signatories recognize that Staff does not have the power to bind the Commission. For purposes of proposing a settlement agreement, Staff acts in the same manner as any party to a Commission proceeding.
- 10.3 This Agreement will serve as a procedural device by which the Signatories will submit their proposed settlement of the Global Rate Dockets to the Commission.
- 10.4 The Signatories recognize that the Commission will independently consider and evaluate the terms of this Agreement. If the Commission issues an order adopting all material terms of this Agreement, such action will constitute Commission approval of the Agreement. Thereafter, the Signatories will abide by the terms as approved by the Commission.

- 10.5 If the Commission fails to issue an order adopting all material terms of this Agreement, any or all of the Signatories may withdraw from this Agreement, and such Signatory or Signatories may pursue without prejudice their respective remedies at law. For purposes of this Agreement, whether a term is material will be left to the discretion of the Signatory choosing to withdraw from the Agreement. If a Signatory withdraws from the Agreement pursuant to this paragraph and files an application for rehearing, the other Signatories, except for Staff, will support the application for rehearing by filing a document with the Commission that supports approval of the Agreement in its entirety. Staff will not be obligated to file any document or take any position regarding the withdrawing Signatory's application for rehearing.

XI. MISCELLANEOUS PROVISIONS.

- 11.1 This case has attracted participants with widely diverse interests. To achieve consensus for settlement, many participants are accepting positions that, in any other circumstances, they would be unwilling to accept. They are doing so because this Agreement, as a whole, is consistent with their long-term interests and with the broad public interest. The acceptance by any Signatory of a specific element of this Agreement will not be considered as precedent for acceptance of that element in any other context.
- 11.2 No Signatory is bound by any position asserted in negotiations, except as expressly stated in this Agreement. No Signatory will offer evidence of conduct or statements made in the course of negotiating this Agreement before this Commission, any other regulatory agency, or any court.
- 11.3 Neither this Agreement nor any of the positions taken in this Agreement by any of the Signatories may be referred to, cited, and/or relied upon as precedent in any proceeding before the Commission, any other regulatory agency, or any court for any purpose except to secure approval of this Agreement and enforce its terms.
- 11.4 To the extent any provision of this Agreement is inconsistent with any existing Commission order, rule, or regulation, this Agreement will control.
- 11.5 Each of the terms of this Agreement is in consideration of all other terms of this Agreement. Accordingly, the terms are not severable.
- 11.6 The Signatories will make reasonable and good faith efforts necessary to obtain a Commission order approving this Agreement. The Signatories will support and defend this Agreement before the Commission. Subject to Paragraph 10.5 above, if the Commission adopts an order approving all material terms of the Agreement, the Signatories will support and

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defend the Commission's order before any court or regulatory agency in which it may be at issue.

- 11.7 This Agreement may be executed in any number of counterparts and by each Signatory on separate counterparts, each of which when so executed and delivered will be deemed an original and all of which taken together will constitute one and the same instrument. This Agreement may also be executed electronically or by facsimile. Further, any party to the Global Rate Dockets may join in this Settlement Agreement as a Signatory by filing a signed signature page for that party with the Commission's Docket Control in the Global Rate Dockets listed above.

GLOBAL WATER - PALO VERDE
UTILITIES COMPANY

By: [Signature]
Name: Ben L. Fleming
Its: President

GLOBAL WATER - SANTA CRUZ
WATER COMPANY

By: [Signature]
Name: Ben L. Fleming
Its: President

VALENCIA WATER COMPANY - TOWN
DIVISION

By: [Signature]
Name: Ben L. Fleming
Its: President

VALENCIA WATER COMPANY -
GREATER BUCKEYE DIVISION

By: [Signature]
Name: Ben L. Fleming
Its: President

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WATER UTILITY OF GREATER
TONOPAH, INC.

By: [Signature]
Name: Ben L. Fleming
Its: President

WILLOW VALLEY WATER CO., INC.

By: [Signature]
Name: Ben L. Fleming
Its: President

WATER UTILITY OF NORTHERN
SCOTTSDALE, INC.

By: [Signature]
Name: Ben L. Fleming
Its: President

GLOBAL WATER - PICACHO COVE
UTILITIES COMPANY

By: [Signature]
Name: Ben L. Fleming
Its: President

GLOBAL WATER - PICACHO COVE
WATER COMPANY

By: [Signature]
Name: Ben L. Fleming
Its: President

HASSAYAMPA UTILITIES COMPANY,
INC.

By: [Signature]
Name: Ben L. Fleming
Its: President

PROPOSED SETTLEMENT AGREEMENT OF RATE ADJUSTMENT APPLICATIONS
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August 12, 2013

GLOBAL WATER RESOURCES, INC.

By: [Signature]
Name: Ron L. Fleming
Its: President

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

By: _____
Name: _____
Its: _____

RESIDENTIAL UTILITY CONSUMER
OFFICE

By: _____
Name: _____
Its: _____

CITY OF MARICOPA

By: _____
Name: _____
Its: _____

WILLOW VALLEY CLUB ASSOCIATION

By: _____
Name: _____
Its: _____

NEW WORLD PROPERTIES, INC.

By: _____
Name: _____
Its: _____

PROPOSED SETTLEMENT AGREEMENT OF RATE ADJUSTMENT APPLICATIONS
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August 12, 2013

GLOBAL WATER RESOURCES, INC.

By: _____
Name: _____
Its: _____

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

By: _____
Name: _____
Its: _____

RESIDENTIAL UTILITY CONSUMER
OFFICE

By: _____
Name: _____
Its: _____

CITY OF MARICOPA

By: _____
Name: *Christian Price*
Its: *Mayor*

WILLOW VALLEY CLUB ASSOCIATION

By: _____
Name: _____
Its: _____

NEW WORLD PROPERTIES, INC.

By: _____
Name: _____
Its: _____

DOCKET NO. W-01212A-12-0309 ET AL.

PROPOSED SETTLEMENT AGREEMENT OF RATE ADJUSTMENT APPLICATIONS
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GLOBAL WATER RESOURCES, INC.

By: _____
Name: _____
Its: _____

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

By: _____
Name: STEVE OLEA
Its: DIRECTOR

RESIDENTIAL UTILITY CONSUMER
OFFICE

By: _____
Name: PATRICK J. QUINN
Its: Executive Director

CITY OF MARICOPA

By: _____
Name: _____
Its: _____

WILLOW VALLEY CLUB ASSOCIATION

By: _____
Name: _____
Its: _____

NEW WORLD PROPERTIES, INC.

By: _____
Name: _____
Its: _____

PROPOSED SETTLEMENT AGREEMENT OF RATE ADJUSTMENT APPLICATIONS
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SIERRA NEGRA RANCH, LLC

By: _____
Name: _____
Its: _____

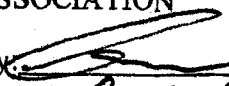
ACACIA CROSSINGS HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

ALTERRA HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

COBBLESTONE FARMS HOMEOWNERS
ASSOCIATION

By:  _____
Name: RYAN ATWOOD
Its: PRESIDENT

DESERT CEDARS HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

DESERT PASSAGE COMMUNITY
ASSOCIATION

By: _____
Name: _____
Its: _____

SIERRA NEGRA RANCH, LLC

By: _____
Name: _____
Its: _____

ACACIA CROSSINGS HOMEOWNERS
ASSOCIATION

By: Chris Eldridge
Name: Chris Eldridge
Its: President

ALTERRA HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

COBBLESTONE FARMS HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

DESERT CEDARS HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

DESERT PASSAGE COMMUNITY
ASSOCIATION

By: _____
Name: _____
Its: _____

PROPOSED SETTLEMENT AGREEMENT OF RATE ADJUSTMENT APPLICATIONS
DOCKET NOS. W-01212A-12-0309 et al.
August 12, 2013

SIERRA NEGRA RANCH, LLC

By: _____
Name: _____
Its: _____

ACACIA CROSSINGS HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

ALTERRA HOMEOWNERS
ASSOCIATION

By: Deborah A Cadue
Name: Deborah A Cadue
Its: President

COBBLESTONE FARMS HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

DESERT CEDARS HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

DESERT PASSAGE COMMUNITY
ASSOCIATION

By: _____
Name: _____
Its: _____

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SIERRA NEGRA RANCH, LLC

By: _____
Name: _____
Its: _____

ACACIA CROSSINGS HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

ALTERRA HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

COBBLESTONE FARMS HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

DESERT CEDARS HOMEOWNERS
ASSOCIATION

By: Linda Duggins
Name: LINDA DUGGINS
Its: PRESIDENT

DESERT PASSAGE COMMUNITY
ASSOCIATION

By: _____
Name: _____
Its: _____

PROPOSED SETTLEMENT AGREEMENT OF RATE ADJUSTMENT APPLICATIONS
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GLENNWILDE HOMEOWNERS'
ASSOCIATION

By: _____
Name: _____
Its: _____

HOMESTEAD NORTH HOMEOWNERS
ASSOCIATION

By: _____
Name: MICHAEL FURCA
Its: PRESIDENT

MARICOPA MEADOWS HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

PROVINCE COMMUNITY ASSOCIATION

By: _____
Name: _____
Its: _____

RANCHO EL DORADO HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

RANCHO EL DORADO PHASE III
HOMEOWNERS ASSOCIATION

By: _____
Name: _____
Its: _____

PROPOSED SETTLEMENT AGREEMENT OF RATE ADJUSTMENT APPLICATIONS
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GLENNWILDE HOMEOWNERS'
ASSOCIATION

By: M. J. [Signature]
Name: MICHELE VERLER
Its: VP-BOARD OF DIRECTORS

HOMESTEAD NORTH HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

MARICOPA MEADOWS HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

PROVINCE COMMUNITY ASSOCIATION

By: _____
Name: _____
Its: _____

RANCHO EL DORADO HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

RANCHO EL DORADO PHASE III
HOMEOWNERS ASSOCIATION

By: _____
Name: _____
Its: _____

GLENNWILDE HOMEOWNERS'
ASSOCIATION

By: _____
Name: _____
Its: _____

HOMESTEAD NORTH HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

MARICOPA MEADOWS HOMEOWNERS
ASSOCIATION

By: _____
Name: ERIC SCHMIDT
Its: PRESIDENT

PROVINCE COMMUNITY ASSOCIATION

By: _____
Name: _____
Its: _____

RANCHO EL DORADO HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

RANCHO EL DORADO PHASE III
HOMEOWNERS ASSOCIATION

By: _____
Name: _____
Its: _____

PROPOSED SETTLEMENT AGREEMENT OF RATE ADJUSTMENT APPLICATIONS
DOCKET NOS. W-01212A-12-0309 et al.
August 12, 2013

GLENNWILDE HOMEOWNERS'
ASSOCIATION

By: _____
Name: _____
Its: _____

HOMESTEAD NORTH HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

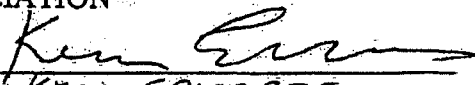
MARICOPA MEADOWS HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

PROVINCE COMMUNITY ASSOCIATION

By: _____
Name: _____
Its: _____

RANCHO EL DORADO HOMEOWNERS
ASSOCIATION

By: 
Name: KEN EDWARDS
Its: PRESIDENT

RANCHO EL DORADO PHASE III
HOMEOWNERS ASSOCIATION

By: _____
Name: _____
Its: _____

PROPOSED SETTLEMENT AGREEMENT OF RATE ADJUSTMENT APPLICATIONS
DOCKET NOS. W-01212A-12-0309 et al.
August 12, 2013

GLENNWILDE HOMEOWNERS'
ASSOCIATION

By: _____
Name: _____
Its: _____

HOMESTEAD NORTH HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

MARICOPA MEADOWS HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

PROVINCE COMMUNITY ASSOCIATION

By: Lori L. Crabtree
Name: Lori L. Crabtree
Its: HOA President

RANCHO EL DORADO HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

RANCHO EL DORADO PHASE III
HOMEOWNERS ASSOCIATION

By: Lori L. Crabtree
Name: Lori L. Crabtree
Its: HOA President

PROPOSED SETTLEMENT AGREEMENT OF RATE ADJUSTMENT APPLICATIONS
DOCKET NOS. W-01212A-12-0309 et al.
August 12, 2013

RANCHO MIRAGE MASTER PLANNED
COMMUNITY HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

SENITA COMMUNITY ASSOCIATION

By: _____
Name: _____
Its: _____

SORRENTO COMMUNITY MASTER
ASSOCIATION

By: _____
Name: _____
Its: _____

PROPOSED SETTLEMENT AGREEMENT OF RATE ADJUSTMENT APPLICATIONS
DOCKET NOS. W-01212A-12-0309 et al.
August 12, 2013

RANCHO MIRAGE MASTER PLANNED
COMMUNITY HOMEOWNERS
ASSOCIATION

By:
Name:
Its:

SENITA COMMUNITY ASSOCIATION

By:
Name:
Its:

SORRENTO COMMUNITY MASTER
ASSOCIATION

By:
Name:
Its:

PROPOSED SETTLEMENT AGREEMENT OF RATE ADJUSTMENT APPLICATIONS
DOCKET NOS. W-01212A-12-0309 et al.
August 12, 2013

RANCHO MIRAGE MASTER PLANNED
COMMUNITY HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

SENITA COMMUNITY ASSOCIATION

By: RCC Campbell
Name: Roderick C Campbell
Its: President

SORRENTO COMMUNITY MASTER
ASSOCIATION

By: _____
Name: _____
Its: _____

PROPOSED SETTLEMENT AGREEMENT OF RATE ADJUSTMENT APPLICATIONS
DOCKET NOS. W-01212A-12-0309 et al.
August 12, 2013

RANCHO MIRAGE MASTER PLANNED
COMMUNITY HOMEOWNERS
ASSOCIATION

By: _____
Name: _____
Its: _____

SENITA COMMUNITY ASSOCIATION

By: _____
Name: _____
Its: _____

SORRENTO COMMUNITY MASTER
ASSOCIATION

By: HOLLY E. JAMES
Name: HOLLY E. JAMES
Its: _____

Exhibit-B

